

TO: Participating GRH Lenders  
FROM: Iowa's USDA, Rural Housing Service Single Family  
Guaranteed Rural Housing (SF-GRH), March 2004

**\*\* PLEASE DISTRIBUTE TO ALL WHO UTILIZE THE GRH PROGRAM \*\***

### NEW NEWS

**NEW INCOME LIMITS** are available effective March 8, 2004! The Iowa GRH Handbook, [Exhibit C](#) has been updated online, plus it is attached. Limits for all states may be found by clicking [here](#).

There are a couple of updates to Iowa's GRH Handbook. The entire handbook may always be found at <http://www.rurdev.usda.gov/ia/rhsq.html>. You'll find the latest improvements on the following pages:

- ☆ Exhibit C, Income Limits – new effective 3/8/04
- ☆ Exhibit F, Plan Certification Authorities – removed Small & Driskell

### \$\$\$\$ - Money, Money, Money

😊 GRH FY 2004 **FUNDS** ARE AVAILABLE 😊



Our fax machines are waiting for those reservation requests!  
We are looking forward to another great year of investing in Iowa!

Please use the 10/03 revision of the [1980-86, Request for Reservation of Funds](#).

### LOAN PROCESSING

Rural Development offices will **accept** a copied or faxed [1980-21, Request for Single Family Housing Loan Guarantee](#) with the appropriate signatures at application. The original document with original signatures will be required prior to issuance of the Loan Note Guarantee.

Our staff remains committed to providing excellent service with a **24 hour turnaround** of complete application packages.

### SERVICING

GRH **Compliance** Reviews are to be completed every two years for those servicing lenders with 20 or more GRH loans. These reviews are underway for FY 2004 and going great!

**Loss Claim Processing** - A **Disposition Plan** must be issued to RD for concurrence within 30 days of acquisition of a GRH property. The AN 3861 may be found at <http://rdinit.usda.gov/regs/an/an3861.pdf>. The fillable Disposition Plan is available at <http://www.rurdev.usda.gov/ia/rhsgupdate.html>.

### NEW ANs

ANs for the last 12 months may be found at [http://rdinit.usda.gov/regs/an\\_list.html](http://rdinit.usda.gov/regs/an_list.html). Click on the AN listed below to view the document.



*Rural Development's new look!*

[AN 3945](#) – GRH Program Loss Claim and Future Recovery Processing

The purpose of this AN is to revise the loss claim and future recovery remittance procedures due to new automation capabilities and to assist in the preparation and calculation of SFHGLP loss claims and future recovery. **\*\*NEW LOSS CLAIM WORKSHEET\*\***

*This revises and replaces expired AN No. 3564 dated August 17, 2000.*

[AN 3941](#) – SFGRHLP Acceptable Liquidation Fees and Costs

The purpose of this AN is to reissue the guidelines regarding reimbursement of attorney and trustee fees incurred for liquidated single family housing loans guaranteed by the RHS.

*This AN replaces expired AN 3815 dated January 8, 2003.*

[AN 3940](#) – SFHGLP GRH Approved Lender Underwriting Guidelines

The purpose of this AN is to reiterate Agency methodology for evaluating “payment shock.” The outcome of this AN is to provide underwriting guidance to SFHGLP lenders. It is the Agency’s expectation that lenders will act responsibly when originating and underwriting loans under RD Instruction 1980-D. **A section has been added to clarify the requirement for lenders to document their underwriting analysis.**

*This AN replaces AN No. 3818 dated January 10, 2003.*

[AN 3939](#) – SFGRH Occupied Real Estate Owned Inspection, Valuation and Loss Claims

The purpose of this AN is to clarify inspection, valuation and loss claim requirements for REO when the property is occupied, subject to redemption rights or when there are lengthy eviction proceedings.

*This is a revision of AN No. 3715 dated February 19, 2002.*

[AN 3936](#) – SFHGLP Debt Ratios Waivers

The purpose of this AN is to elaborate upon the use of debt ratio waivers when approving loan guarantees under the SFHGLP and RD Instruction 1980-D, § 1980.345. This AN also provides information on potential compensating factors, including credit scores, to be used by the Agency when evaluating a **lender’s request** for a debt ratio waiver.

**The underwriter must document the issues and reasons for a waiver prior to consideration for a Conditional Commitment.**

*This AN replaces AN No. 3817 dated January 10, 2003.*

[AN 3935](#) – SFGRH Acceptable Foreclosure Time Frames

The purpose of this AN is to clarify and standardize the acceptable foreclosure time frames by state for single family housing loans guaranteed by the RHS.

*This AN replaces AN No. 3784 which expired on September 30, 2003.*

[AN 3934](#) – SFHGLP Acceptable Appraisal Forms

The purpose of this AN is to announce that the SFHGLP now permits the lender to instruct its appraiser to use one of the listed appraisal forms in relation to a SFH loan for, or refinance of a loan, secured by an owner-occupied one-family residential property.

**Expanding** the number and type of appraisal report forms will provide lenders with more flexibility and, in some cases, result in reduced closing costs for the loan applicant.

*This AN replaces AN No. 3816 dated January 10, 2003, which expired January 31, 2004.*

[AN 3933](#) – SFHGLP Existing Dwelling Inspection Requirements

The purpose of this AN is to elaborate upon the forms of dwelling inspections acceptable for loans guaranteed under the SFHGLP.

**Iowa will continue to accept [Exhibit E](#) of the Iowa GRH Handbook. If this is not possible, a Home Inspection report or HUD’s VC Form per this AN are acceptable. Septic and well inspections will continue to be required in Iowa as per page 4 of the [Iowa GRH Handbook](#).**

*This AN replaces AN No. 3829 dated February 28, 2003.*

## UPCOMING EVENTS

April 1, 2004

[Iowa Mortgage Association Spring Conference](#)

Collins Plaza Hotel, Cedar Rapids, Iowa

April 28, 2004

[Iowa Home Ownership Education Project \(IHOEP\)](#) - 2004 Spring Conference

Stoney Creek Inn, Johnston, Iowa

## USEFUL INFO

Iowa GRH Handbook <http://www.rurdev.usda.gov/ia/rhsg.html>

All Iowa GRH Newsletters <http://www.rurdev.usda.gov/ia/rhsgupdate.html>

RD Properties for Sale <http://www.resales.usda.gov/>

USDA, Rural Development <http://www.rurdev.usda.gov/>

Iowa USDA, Rural Development <http://www.rurdev.usda.gov/ia/>

USDA, Rural Development offices will be **closed** on the following holidays:

Monday, May 31, 2004 – Memorial Day

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**GUARANTEED RURAL HOUSING PROGRAM  
MODERATE INCOME LIMITS**

COUNTY	Number in Household							
	1	2	3	4	5	6	7	8
Benton/Bremer	48050	54900	61800	68650	74150	79600	85100	90600
Boone	47100	53800	60550	67300	72650	78050	83400	88800
Cedar	47750	54550	61400	68200	73650	79100	84600	90050
Dallas/ Polk/ Warren	53850	61550	69200	76900	83050	89200	95350	101500
Grundy	48950	55950	62950	69950	75550	81100	86700	92300
Iowa	54200	61950	69650	77400	83600	89800	96000	102200
Johnson	57850	66150	74400	82650	89250	95900	102500	109100
Linn	54050	61750	69450	77200	83350	89550	95700	101900
Plymouth	47900	54750	61600	68450	73900	79350	84850	90300
Pottawattamie /Story	51800	59250	66650	74050	79950	85900	91800	97700
<i>All other counties</i>	46300	52900	59500	66150	71400	76700	82000	87300